Under these orders, the Textile Commissioner is the competent authority to grant permits for the acquisition and installation of powerlooms. For the installation of powerlooms, one has to secure in addition to the permit from the Textile Commissioner a licence known as L-4 licence from the Central Excise Authorities under Rule 174 of the Central Excise Rules, 1944.

The present policy of the Government is to regulate the growth of powerloom industry so that handlooms will be gradually replaced by the powerlooms and thereby avoid large scale unemployment among the handloom weavers.

As a rule the Textile Commissioner does not issue permits after 31st October 1960 for the setting up of new powerlooms. But persons obtain L-4 licence from the Central Excise Authorities without obtaining a permit from the Textile Commissioner. In view of the liberal issue of the L-4 licences by the Central Excise Authorities, unauthorised installation of powerlooms had been on the increase. The Government of India were therefore addressed to impose a ban on the grant of L-4 licences to powerlooms not covered by a permit issued by the Textile Commissioner. They have since agreed that as an administrative measure the Central Excise Department will not in future entertain any fresh application for licensing powerloom units unless the Textile Commissioner's authorisation has already been obtained by the applicant in this behalf.

The Government considered that in the interest of the handloom weavers unauthorised installation of powerlooms should be discouraged. It became therefore imperative to check such unauthorised installation by refusing power supply to such units. The Government have therefore instructed the Madras State Electricity Board under section 78-A of the Electricity Supply Act, 1948, to grant the power supply only to those powerlooms which have both the permit issued by the Textile Commissioner and the L-4 licence granted by the Central Excise Authorities.

I submit that the Government are aware of the difficulties of handloom weavers in the State and they have to prevent the growth of unauthorised powerlooms in order to pave the way to introduce powerlooms in weavers' co-operative societies as recommended by the Powerloom Enquiry Committee. The setting up of powerlooms without the permit of the Textile Commissioner is unauthorised and contrary to the provisions of the Control orders referred to above. Installation of unauthorised powerlooms cannot be encouraged.

V.—PRESENTATION OF THE DRAFT OUTLINE OF THE FOURTH FIVE-YEAR PLAN.

THE HON. SRI M. BHAKTAVATSALAM: Mr. Chairman, Sir, I have great pleasure in placing formally the Draft Outline of the State's Fourth Plan on the table of the House. A significant

30th July 1965] [Sri M. Bhaktavatsalam]

new development in the preparation of the Fourth Plan has been the submission by State Governments of a Preliminary Memorandum in advance of the finalization of the National Plan. This important change in procedure, introduced deliberately by our planners, lends a measure of reality to the concept of planning from below.

2. The Memorandum on the Fourth Plan, prepared by the Planning Commission, envisages an outlay of Rs. 22,600 crores, of which the outlay in the public sector will be of the order of Rs. 15,620 crores. Among the outlays in the public sector, the Plans of State Governments and Union Territories account for Rs. 8,095 crores, or a little over 50 per cent. The State Plans also cover such vital sectors of development as Agriculture, Small Industries, Irrigation and Power, Roads and Road Transport, Education, and other Social Services. Great importance, therefore, attaches to the manner in which the State Plans are formulated and implemented. The total outlay on the Plans of States, as visualised in the Planning Commission's Memorandum, is of the order of Rs. 7,660 crores, as against an anticipated outlay of Rs. 3,945 crores in the Third Plan, or a little less than double the outlay in the Third Plan. Turning to our own Plan, the outlay in the Third Plan was originally fixed at Rs. 291 crores. But on current trends of progress in different sectors, the outlay on the Plan schemes is expected to be of the order of Rs. 340 crores. We have now proposed in the Fourth Plan an outlay of Rs. 750 crores for Centrally assisted schemes and about Rs. 65 crores for Centrally sponsored schemes. While the size of the Plan will obviously be subject to adjustments in the light of discussions with the Planning Commission, and more particularly with reference to Central assistance and foreign exchange likely to be available for the Plan, the Plan as we have drawn up is realistic in the sense that given the necessary will and determination it can be fulfilled in its essentials. The Planning Commission's Memorandum envisages an annual increase in agriculture of not less than 5 per cent and of 11 per cent in organized industry, 8 per cent each in small industry, communications, railways and organized banking and insurance and 6.5 per cent each in other commerce and transport and services, giving an overall rate of growth of around $6\frac{1}{2}$ per cent. In view of the comparatively higher density of population in our State than the national average, which has a depressing effect on per capita incomes, this State has to aim at a comparatively higher rate of growth. The size and strategy of the Plan as we have drawn up keep in view this objective. A relatively large Plan is also essential from the point of view of full exploitation of the potentialities of the techno-administrative machinery we have built up during the last two Plan periods.

3. The difficulties which we have had to face in the current Plan period, such as rise in prices and shortage of foreign exchange, have naturally tended to dominate the debate on the Fourth Plan 3-40 p.m.

in its preparatory stage. These difficulties are real and cannot be slurred over. But we should not let these difficulties overwhelm us and bring the process of development to a halt. The difficulties, which our national economy is currently faced with, are due largely to the failure of agricultural production to come up to the earlier expectations. If agricultural production had picked up at the rate envisaged in the Plan, there would have been an upsurge in national income; there would have been supplies of food and raw materials commensurate with the needs of our economy. There would also have been an exportable surplus under commodities like oilseeds, and short staple cotton which would have enabled us to earn foreign exchange in larger measure. There is, therefore, universal recognition of the need to accord the highest priority to agricultural production.

4. Agriculture is indeed the sheet anchor of our Fourth Plan. So far as this State is concerned, the progress we have been able to achieve in this crucial sector is by no means disappointing. The increase in agricultural production, though falling short of the original Plan target, is still large in absolute terms. Even so, we cannot be complacent and should strive the utmost to step up production of foodgrains from 65 lakhs tonnes as anticipated at the commencement of the Fourth Plan, to about 82 lakhs of tonnes by its close. The large financial allocations we have made in the Fourth Plan for programmes having a bearing on agricultural production afford indirect but convincing evidence of the importance which we attach to a high rate of growth in this sector. I would also like to stress here, as I did in the other House, that the financial provision for agricultural programmes will be stepped up further in the course of execution of the Plan, to the extent necessary.

5. While recognizing the importance of agricultural production and according it its due place in our Plan, I would like to dispel the notion widely prevalent that it is the emphasis laid in our Plans on industrial development that is in some way responsible for lags in the agricultural front. The growth of agriculture and industry is closely interlinked and the provisions in our Plans for the promotion of certain industries are directly related to augmentation of agricultural production. The increase of farm production calls for intensive application of fertilizers which can be produced only in industrial sector. Pesticides, improved implements and labour saving machinery like small tractors and power tillers can be supplied only by large-scale industry. Development of power has also an important bearing on agricultural production, as is evident from the keen demand for supply by energy for lift irrigation. It is also essential to develop industries which are based on processing of agricultural produce, if we are to assure increasing levels of income for the agriculturists and thus provide an incentive for higher production. The creation of such agro-industrial complexes in rural areas is an important element of

30th July 1965] [Sri M. Bhaktavatsalam.]

policy envisaged in the Fourth Plan period. We are setting up an Agro-industrial Corporation charged with the duty of promoting Agro-Industries on a larger scale.

6. Apart from Agro-Industries, it is one of the important objectives of this State's Fourth Plan to promote certain basic industries producing raw materials and intermediates which could be used by other industries. The Fourth Plan gives a new orientation to our industrial policy in visualising direct participation by the State Government in development of certain medium industries. It is our intention to try new techniques like allowing the people of the area to participate in the share structure of Government industrial concerns and thus fully harness local enthusiasm and initiative for projects of vital concern to the people. Our own experience, as well as that of other States like Maharashtra, in regard to co-operative sugar factories shows that the concept of mobilisation of local resources for State-sponsored industrial development is worth further exploration. The private sector will still have an important part to play and the Fourth Plan makes adequate provision for the strengthening of the agencies like the Madras Industrial Investment Corporation which provides term finance for industries in the private sector. The investments by the State Government and the private sector will have to be supplemented by investments in the Central sector and we hope that investments on the scale visualised will materialise with the approval of projects like Neyveli-Salem Steel Plant.

7. Development of power is essential, both for agriculture and industrial growth, and the new schemes proposed in the Fourth Plan seek to raise the installed capacity by over 1,500 MW.

8. The State's Fourth Plan, in conformity with the objectives of the National Plan, breaks new ground in the large allocations proposed for social services like Education, Medical Relief and Public Health, Housing and Welfare of Backward Classes. The expansion of social services on the scale provided for in the Plan should serve to concretise the benefits of a big Plan for the common man. Electricity and protected water-supply for all villages, free house-sites for all the poor in rural areas and free uniforms and text-books for all poor children in Elementary Schools—these are some of the important goals which we have in view in the Fourth Plan with its unmistakable accent on assurance of certain minimum standards of consumption for the economically weaker sections of society.

9. The finalisation of the Fourth Plan has now entered its crucial stage and the decisions which will be taken on its size, shape and strategy in the next month or two are of great importance to our economy, as they will determine the pace and direction of development in the next five years. Indeed, the decisions will have significance over a longer time horizon and should

[Sri M. Bhaktavatsalam] [30th July 1965

therefore, be taken with due regard to the long-term interests of the economy. I would only urge that while our immediate difficulties and problems should be taken note of, nothing should be done which will depress the rate of growth and thereby further delay significant improvement in the standards of living of our people. I hope that out of all the debate and discussion which the formulation of the Fourth Plan has provoked, a consensus will emerge, on the basis of which the nation may march towards its goals of increased production, employment and consumption, with courage, confidence and hope.

10. With these words, Sir, I commend the Draft Outline of the Fourth Plan for the consideration of the House.

VI.—THE MADRAS STATE ELECTRICITY BOARD BUDGET FOR 1965–66.

THE HON. SRI R. VENKATARAMAN : Mr. Chairman, Sir, I rise to initiate the discussion on the Annual Financial Statement for 1965–66 and the Supplementary Financial Statement for 1964–65 of the Madras State Electricity Board.

As required under section 61 of the Electricity (Supply) Act, 1948, the Madras State Electricity Board, after obtaining the approval of the Madras State Electricity Consultative Council constituted by the Government under section 16 of the Act, has submitted to Government these statements. They are open to discussion in the State Legislature, though not subject to vote. The Board will, as in the previous years, no doubt, take into account the comments made by the Legislature on these statements. A note indicating the action taken on the suggestions made by the hon. Members during the discussion in this House in July 1964 has been printed and circulated to the Members separately.

Sir, I do not want to read the entire statement, which has been distributed, but I shall draw the attention of the House to a few salient features in the development of electricity during last year and review the work of the Electricity Board during the past five years since we are in the last year of the Third Five-Year Plan.

At the outset I must express happiness and satisfaction that after several years we have been able to tide over the electricity power cut during the summer of this year 1965. It has been our ambition to catch up with the ever increasing demand for power in our State, and we have strained every nerve during the year to increase the generation of power so that we may be able to tide over what has been a perennial power cut in our State. During the year under review, we have been able to increase 140 megawatts to the power station in Kundah and increase the Basin Bridge power station by another 10 megawatts. Stage III of the Kundah Power Station has added another 120 megawatts to our grid. This is actually generated with power from the tail race